



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



STEVEN E. CHESTER  
DIRECTOR

January 18, 2006

1. Bill Number and Sponsor:

Senate Bill (SB) 854, as passed the Senate  
Senator Raymond E. Basham et al.

2. Purpose:

Creates a voluntary system for avoiding and addressing adverse resource impacts among water users within a watershed and establishes limited order authority for the Department to prevent adverse resource impacts.

3. How This Legislation Impacts Current Programs in the Department:

If the Department determines that large quantity withdrawals are causing or are likely to cause an adverse resource impact, the Department can facilitate local efforts to address those impacts. In limited circumstances, the Department can order a person holding a permit for a large quantity withdrawal to modify the withdrawal in order to avoid an adverse resource impact.

4. Introduced at Agency Request:

No.

5. Agency Position:

Support.

6. Justification for the Department's Position:

The Department encourages voluntary local efforts to minimize the potential for adverse resource impacts caused by water withdrawals. This bill provides a vehicle to encourage local water users to work together to that end. The bill allows for stronger responses if voluntary actions prove unable to avoid adverse resource impacts. These actions include the ability to issue an order limiting the withdrawals of persons who have a permit for a large quantity withdrawal as well as bringing an action for injunctive or other appropriate relief under Part 327, Great Lakes Preservation.

7. State Revenue/Budgetary Implications:

The tie-barred SB 850 creates an annual revenue stream of approximately \$300,000 to \$500,000. Those funds may be approximately commensurate with initial staffing and program expenses.

8. Implications to Local Units of Government:

Local units of government would be encouraged to participate on local water user committees.

9. Administrative Rules Implications:

None.

10. Other Pertinent Information:

This legislation is tie-barred to four related bills:

SB 850: Establishes a program for management of large quantity withdrawals.

SB 851: Assigns to the groundwater conservation advisory council the responsibility to design the assessment tool.

SB 852: Changes the reporting requirements for water users.

SB 857: Applies the adverse resource impact standard to municipal water supply systems.

A handwritten signature in black ink, appearing to read "Steve Chester", with a stylized, sweeping flourish at the end.

Steven E. Chester, Director  
Department of Environmental Quality